



**Part II** Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code Sections 305(a) and 307(a).

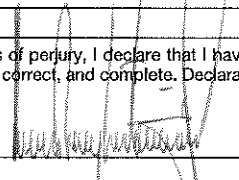
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18 Can any resulting loss be recognized? ▶ See attachment.

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year is 2019.

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**Sign Here**  
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.  
Signature ▶  Date ▶ 11/30/2019  
Print your name ▶ Leandro Perez Castaño Title ▶ Attorney in fact

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

## **Part II, Question 14**

TGS has made a stock distribution whereby holders of common shares or ADSs received 0.038487388 new common shares or ADSs (the “New Shares” and “New ADSs”), in addition to cash in lieu of fractional shares, for every outstanding common share or ADS (the “Existing Shares” and “Existing ADSs”) held as of November 12, 2019. The payable date for common shares was November 13, 2019; the payable date for ADSs was November 20, 2019; and the payable date for cash in lieu of fractional shares was November 26, 2019.

In order to fund Argentinian withholding tax owed in respect of this stock distribution, TGS also declared a cash distribution equal to 7.5269% of the market value of the common shares (including any common shares underlying ADSs) to be distributed. In the case of Existing ADSs, TGS used this dividend to pay the withholding tax—it was not distributed to any holders of Existing ADSs.

## **Part II, Question 15**

As required by Code Section 307(a) and the U.S. Treasury regulations thereunder, a holder of Existing Shares should allocate its U.S. tax basis in the Existing Shares (prior to the stock distribution) among the Existing Shares and the New Shares, and a holder of Existing ADSs should allocate its U.S. tax basis in the Existing ADSs (prior to the stock distribution) among the Existing ADSs and the New ADSs. If a holder received cash in lieu of fractional shares, the holder will be treated as though it first received a fractional New Share or New ADS, allocated basis to that fractional New Share or New ADS in accordance with the preceding sentence, and then sold the fractional share for the amount of cash actually received.

Before a holder takes into consideration cash in lieu of fractional shares, the ratio of (1) Existing Shares or Existing ADSs to (2) the sum of (a) Existing Shares or Existing ADSs and (b) New Shares or New ADSs equals  $1 / (1 + 0.038487388)$ , or 96.29389933%. Therefore, a holder’s total basis in Existing Shares or Existing ADSs after the stock distribution will equal 96.29389933% of the holder’s total basis prior to the stock distribution, although appropriate adjustments will need to be made for any cash in lieu payments received by the holder, as described in the previous paragraph.

## **Part II, Question 18**

In general, for U.S. federal income tax purposes, no loss will be recognized as a result of the organizational action. A holder may recognize loss, however, in respect of the deemed sale of fractional shares for cash in lieu payments (see the first paragraph of the answer to Question 15, above).